

Total wages up 4.7% in third quarter

Growth is from same quarter in 2018; average wages are also up

By DAN ROBINSON

Alaska employers paid \$4.9 billion in wages during the third quarter of 2019, an increase of 4.7 percent from the same quarter the year before. Private sector wages grew 5.4 percent over the year and government wages increased 2.5 percent.

In Alaska's seasonal economy, wages and job levels are at their highest levels in the third quarter of each year, making third quarter data especially relevant to assessing the state's economic direction.

Oil, seafood processing lead wage growth

Oil and gas wages rose from \$309.3 million to \$335.5 million, an increase of 8.5 percent. Seafood processing wages grew from \$199.3 million to nearly \$228 million, a jump of 14.4 percent.

Alaska's large leisure and hospitality sector, which includes many tourism-related companies, paid out 4.7 percent more in third quarter wages in 2019, totaling \$302.6 million. Health care wages continued a long stretch of growth as well, increasing 4.8 percent to \$594.7 million.

Total wages by industry for third quarters of 2018 and 2019

Industry	Q3 2018 total wages	Q3 2019 total wages	Change	Percent change
Total, All Industries	\$4,706,592,771	\$4,929,127,692	\$222,534,921	4.7%
Total Private Sector	\$3,648,413,202	\$3,844,631,726	\$196,218,524	5.4%
Natural Resources and Mining	\$424,885,821	\$455,862,103	\$30,976,282	7.3%
Agriculture, Forestry, Fishing, and Hunting	\$21,478,429	\$23,926,635	\$2,448,206	11.4%
Mining	\$403,407,392	\$431,935,468	\$28,528,076	7.1%
Oil and Gas Industry	\$309,339,696	\$335,503,562	\$26,163,866	8.5%
Construction	\$395,230,628	\$405,461,910	\$10,231,282	2.6%
Manufacturing	\$251,479,667	\$282,673,343	\$31,193,676	12.4%
Seafood Processing	\$199,303,532	\$227,958,103	\$28,654,571	14.4%
Trade, Transportation, and Utilities	\$817,594,055	\$862,376,388	\$44,782,333	5.5%
Wholesale Trade	\$95,700,268	\$100,834,685	\$5,134,417	5.4%
Retail Trade	\$293,764,635	\$302,503,177	\$8,738,542	3.0%
Transportation and Warehousing	\$376,155,585	\$406,163,352	\$30,007,767	8.0%
Utilities	\$51,973,567	\$52,875,173	\$901,606	1.7%
Information	\$93,880,907	\$90,726,806	-\$3,154,101	-3.4%
Financial Activities	\$176,997,611	\$189,342,635	\$12,345,024	7.0%
Professional and Business Services	\$437,688,573	\$460,982,531	\$23,293,958	5.3%
Educational and Health Services	\$657,803,360	\$687,427,679	\$29,624,319	4.5%
Educational Services	\$20,033,711	\$21,230,083	\$1,196,372	6.0%
Health Care and Social Assistance	\$637,769,649	\$666,197,596	\$28,427,947	4.5%
Health Care	\$567,229,678	\$594,732,911	\$27,503,233	4.8%
Social Assistance	\$70,539,970	\$71,464,685	\$924,715	1.3%
Leisure and Hospitality	\$288,925,043	\$302,556,375	\$13,631,332	4.7%
Accommodation and Food Services	\$248,020,066	\$261,192,131	\$13,172,065	5.3%
Accommodation	\$104,367,275	\$110,653,642	\$6,286,367	6.0%
Food Services and Drinking Places	\$143,652,791	\$150,538,489	\$6,885,698	4.8%
Other Services/Unclassified	\$103,927,537	\$107,221,956	\$3,294,419	3.2%
Total Government	\$1,058,179,570	\$1,084,495,965	\$26,316,395	2.5%
Federal	\$321,295,784	\$330,340,150	\$9,044,366	2.8%
State, including University of Alaska	\$347,587,998	\$358,621,258	\$11,033,260	3.2%
Local, including tribal	\$389,295,788	\$395,534,557	\$6,238,769	1.6%

Note: Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Total wages by area for third quarters of 2018 and 2019

Area	Q3 2018 total wages	Q3 2019 total wages	Change	Percent change
Statewide	\$4,706,592,771	\$4,929,127,692	\$222,534,921	4.7%
Aleutians East Borough	\$43,387,972	\$52,982,836	\$9,594,864	22.1%
Aleutians West Census Area	\$59,375,214	\$63,491,057	\$4,115,843	6.9%
Anchorage, Municipality	\$2,172,158,363	\$2,253,654,647	\$81,496,284	3.8%
Bethel Census Area	\$80,910,089	\$81,004,849	\$94,760	0.1%
Bristol Bay Borough	\$39,214,247	\$39,532,583	\$318,336	0.8%
Denali Borough	\$41,170,647	\$39,424,540	-\$1,746,107	-4.2%
Dillingham Census Area	\$38,951,161	\$39,519,838	\$568,677	1.5%
Fairbanks North Star Borough	\$526,939,308	\$544,793,368	\$17,854,060	3.4%
Haines Borough	\$15,751,825	\$13,756,729	-\$1,995,096	-12.7%
Hoonah-Angoon Census Area	\$9,963,166	\$10,487,870	\$524,704	5.3%
Juneau, City and Borough	\$248,436,966	\$257,471,528	\$9,034,562	3.6%
Kenai Peninsula Borough	\$256,362,717	\$271,746,167	\$15,383,450	6.0%
Ketchikan Gateway Borough	\$99,005,109	\$102,826,854	\$3,821,745	3.9%
Kodiak Island Borough	\$77,345,028	\$84,793,005	\$7,447,977	9.6%
Kusilvak Census Area	\$17,482,614	\$17,440,774	-\$41,840	-0.2%
Lake and Peninsula Borough	\$15,140,400	\$15,060,807	-\$79,593	-0.5%
Matanuska-Susitna Borough	\$266,434,710	\$288,494,857	\$22,060,147	8.3%
Nome Census Area	\$52,242,900	\$53,984,495	\$1,741,595	3.3%
North Slope Borough	\$281,573,914	\$306,371,643	\$24,797,729	8.8%
Northwest Arctic Borough	\$54,638,834	\$57,555,187	\$2,916,353	5.3%
Petersburg Borough	\$18,239,256	\$18,981,201	\$741,945	4.1%
Prince of Wales-Hyder Census Area	\$25,699,131	\$27,215,094	\$1,515,963	5.9%
Sitka, City and Borough	\$58,340,050	\$64,605,623	\$6,265,573	10.7%
Skagway, Municipality	\$18,292,040	\$19,574,185	\$1,282,145	7.0%
Southeast Fairbanks Census Area	\$43,850,667	\$44,409,324	\$558,657	1.3%
Valdez-Cordova Census Area	\$83,511,085	\$91,214,650	\$7,703,565	9.2%
Wrangell, City and Borough	\$9,932,535	\$9,884,826	-\$47,709	-0.5%
Yakutat, City and Borough	\$3,348,355	\$4,006,416	\$658,061	19.7%
Yukon-Koyukuk Census Area	\$23,852,156	\$24,994,100	\$1,141,944	4.8%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The only major sector whose total wages didn't grow over the period was information, which includes everything from telecommunications companies and television and radio stations to newspapers and book and software publishers. Ongoing job losses pushed total wages in information down 3.4 percent.

Inflation was low over the period

Inflation is always relevant when comparing wages or other prices over time. Inflation measures aren't precise enough to match the time period for the wage data shown here, but Alaska inflation rates were relatively low in 2019, averaging 1.3 percent — well below the total wage growth percentage.

Highest growth in fishing-dependent areas

Total wages grew in nearly all of the state's 29 boroughs and census areas over the period, with the biggest increases coming from parts of the state

About the data

The wage data come from the Quarterly Census of Employment and Wages program, one of several cooperative statistical programs between states and the U.S. Bureau of Labor Statistics created to produce critical and objective labor market information.

These employment and wage data are particularly reliable because they are generated from quarterly reports nearly all Alaska employers are required to file under state and federal unemployment insurance laws.

where fishing and seafood processing play central economic roles.

The numbers can be volatile and potentially misleading for areas with small populations because changes to a few key employers' wages, or a big

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Average wages and jobs by industry and area for third quarters 2018-19

Industry	Q3 2018 avg jobs	Q3 2019 avg jobs	Change in jobs	Q3 2018 avg wages	Q3 2019 avg wages	Change in avg wages	Pct chg in avg wages
Total, All Industries	342,128	345,733	3,605	\$13,757	\$14,257	\$500	4%
Total Private Sector	270,498	274,715	4,217	\$13,488	\$13,995	\$507	4%
Natural Resources and Mining	14,430	15,338	908	\$29,445	\$29,721	\$276	1%
Agriculture, Forestry, Fishing, and Hunting	1,729	1,893	164	\$12,422	\$12,640	\$217	2%
Mining	12,701	13,445	744	\$31,762	\$32,126	\$364	1%
Oil and Gas Industry	9,333	9,929	596	\$33,145	\$33,790	\$646	2%
Construction	18,392	18,846	454	\$21,489	\$21,514	\$25	0%
Manufacturing	18,750	20,109	1,359	\$13,412	\$14,057	\$645	5%
Seafood Processing	14,726	15,941	1,215	\$13,534	\$14,300	\$766	6%
Trade, Transportation, and Utilities	68,605	68,922	317	\$11,917	\$12,512	\$595	5%
Wholesale Trade	6,584	6,655	71	\$14,535	\$15,152	\$616	4%
Retail Trade	37,019	36,752	-267	\$7,936	\$8,231	\$295	4%
Transportation and Warehousing	22,726	23,236	510	\$16,552	\$17,480	\$928	6%
Utilities	2,275	2,278	3	\$22,846	\$23,211	\$366	2%
Information	5,620	5,323	-297	\$16,705	\$17,044	\$340	2%
Financial Activities	12,969	12,954	-15	\$13,648	\$14,617	\$969	7%
Professional and Business Services	28,508	28,933	425	\$15,353	\$15,933	\$580	4%
Educational and Health Services	49,338	49,711	373	\$13,333	\$13,828	\$496	4%
Educational Services	2,347	2,249	-98	\$8,536	\$9,440	\$904	11%
Health Care and Social Assistance	46,991	47,462	471	\$13,572	\$14,036	\$464	3%
Health Care	37,973	38,452	479	\$14,938	\$15,467	\$529	4%
Social Assistance	9,018	9,011	-7	\$7,822	\$7,931	\$109	1%
Leisure and Hospitality	42,483	43,121	638	\$6,801	\$7,016	\$215	3%
Accommodation and Food Services	36,146	36,741	595	\$6,862	\$7,109	\$247	4%
Accommodation	12,181	12,551	370	\$8,568	\$8,816	\$248	3%
Food Services and Drinking Places	23,966	24,189	223	\$5,994	\$6,223	\$229	4%
Other Services/Unclassified	11,404	11,458	54	\$9,113	\$9,358	\$245	3%
Total Government	71,630	71,018	-612	\$14,773	\$15,271	\$498	3%
Federal	15,305	15,312	7	\$20,993	\$21,574	\$581	3%
State, including University of Alaska	23,221	23,051	-170	\$14,969	\$15,558	\$589	4%
Local, including tribal	33,104	32,655	-449	\$11,760	\$12,113	\$353	3%

Area	Q3 2018 avg jobs	Q3 2019 avg jobs	Change in jobs	Q3 2018 avg wages	Q3 2019 avg wages	Change in avg wages	Pct chg in avg wages
Statewide	342,130	345,735	3,605	\$13,757	\$14,257	\$500	4%
Aleutians East Borough	2,906	3,466	560	\$14,930	\$15,286	\$356	2%
Aleutians West Census Area	3,631	3,785	154	\$16,352	\$16,774	\$422	3%
Anchorage, Municipality	150,951	151,384	433	\$14,390	\$14,887	\$497	3%
Bethel Census Area	7,184	6,992	-192	\$11,263	\$11,585	\$323	3%
Bristol Bay Borough	2,467	2,481	14	\$15,896	\$15,934	\$39	0%
Denali Borough	3,613	3,564	-49	\$11,395	\$11,062	-\$333	-3%
Dillingham Census Area	3,042	3,027	-15	\$12,804	\$13,056	\$251	2%
Fairbanks North Star Borough	39,119	39,251	132	\$13,470	\$13,880	\$410	3%
Haines Borough	1,378	1,448	70	\$11,431	\$9,501	-\$1,930	-17%
Hoonah-Angoon Census Area	1,071	1,125	54	\$9,303	\$9,323	\$20	0%
Juneau, City and Borough	18,983	19,254	271	\$13,087	\$13,372	\$285	2%
Kenai Peninsula Borough	21,554	21,809	255	\$11,894	\$12,460	\$566	5%
Ketchikan Gateway Borough	8,628	8,627	-1	\$11,475	\$11,919	\$444	4%
Kodiak Island Borough	6,424	6,448	24	\$12,040	\$13,150	\$1,110	9%
Kusilvak Census Area	2,446	2,521	75	\$7,147	\$6,918	-\$229	-3%
Lake and Peninsula Borough	1,269	1,250	-19	\$11,931	\$12,049	\$118	1%
Matanuska-Susitna Borough	24,033	24,902	869	\$11,086	\$11,585	\$499	5%
Nome Census Area	3,900	3,893	-7	\$13,396	\$13,867	\$471	4%
North Slope Borough	11,899	12,439	540	\$23,664	\$24,630	\$966	4%
Northwest Arctic Borough	2,995	3,022	27	\$18,243	\$19,045	\$802	4%
Petersburg Borough	1,473	1,549	76	\$12,382	\$12,254	-\$129	-1%
Prince of Wales-Hyder Census Area	2,430	2,404	-26	\$10,576	\$11,321	\$745	7%
Sitka, City and Borough	4,922	5,020	98	\$11,853	\$12,870	\$1,017	9%
Skagway, Municipality	1,698	1,683	-15	\$10,773	\$11,631	\$858	8%
Southeast Fairbanks Census Area	2,660	2,591	-69	\$16,485	\$17,140	\$655	4%
Valdez-Cordova Census Area	6,323	6,524	201	\$13,208	\$13,981	\$774	6%
Wrangell, City and Borough	923	889	-34	\$10,761	\$11,119	\$358	3%
Yakutat, City and Borough	310	326	16	\$10,801	\$12,290	\$1,488	14%
Yukon-Koyukuk Census Area	2,402	2,342	-60	\$9,930	\$10,672	\$742	7%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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project in one of the two years being compared, can make a large difference. A couple of examples are Haines (-12.7 percent) and Yakutat (19.7 percent). Comparing wages over a longer period would give a better sense of how wages are rising or falling in smaller places.

Average quarterly wages were also up

While comparing total wages over time reveals whether an economy as a whole is growing, looking at average wages helps determine whether the increase is due to job growth or people in existing jobs making more money. It's almost always some combination of the two.

The state's average quarterly wage was up 4 percent over the year, with most industries recording job growth as well as higher total wages. A few notable exceptions were retail trade, information, state government, and local government. All four of those sectors lost some employment, but their total wages went up. One likely explanation is that job losses in those sectors were disproportionately lower-wage positions. Another possibility is that higher-wage job holders received bigger pay bumps than those making less.

Statewide, average quarterly wages were up by \$500 over the period, to \$14,257 in the third quarter of 2019. North Slope jobs paid the most, at \$24,630. The next highest quarterly wages were in the Northwest Arctic Borough, at \$19,045.

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